

NAVAL SEA SYSTEMS COMMAND

***Outfitting and Material  
Support Division (SEA  
04L4)***

***O&M,N Outfitting Support***

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**SEA 04L4B**  
**March 2002**

# Executive Level Overview

## ➤ **SEA 04L4 Core Mission**

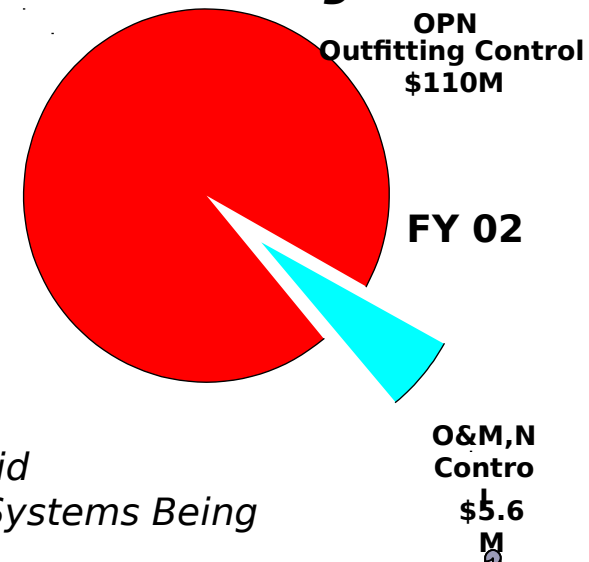
- Navy's Non-Aviation Initial Outfitting Agent ... "Cradle to Grave" Outfitting Support
- Manage the Programming, Budgeting and Execution of the SCN/OPN Outfitting and OPN/WPM Initial and Vendor Direct Spares Accounts
- Fleet Support Coordinator regarding Supply Support Policy and Procedures (Provisioning, Allowances, Outfitting and Information Technology (IT) Systems)
- Material Manager for NAVSEA

## ➤ **O&M,N Outfitting Funding Supports The Navy's OPN Outfitting Program Processes**

- Requirements Validation
- Fleet/Allowance Support
- Information Technology
- Fleet Outfitting Support

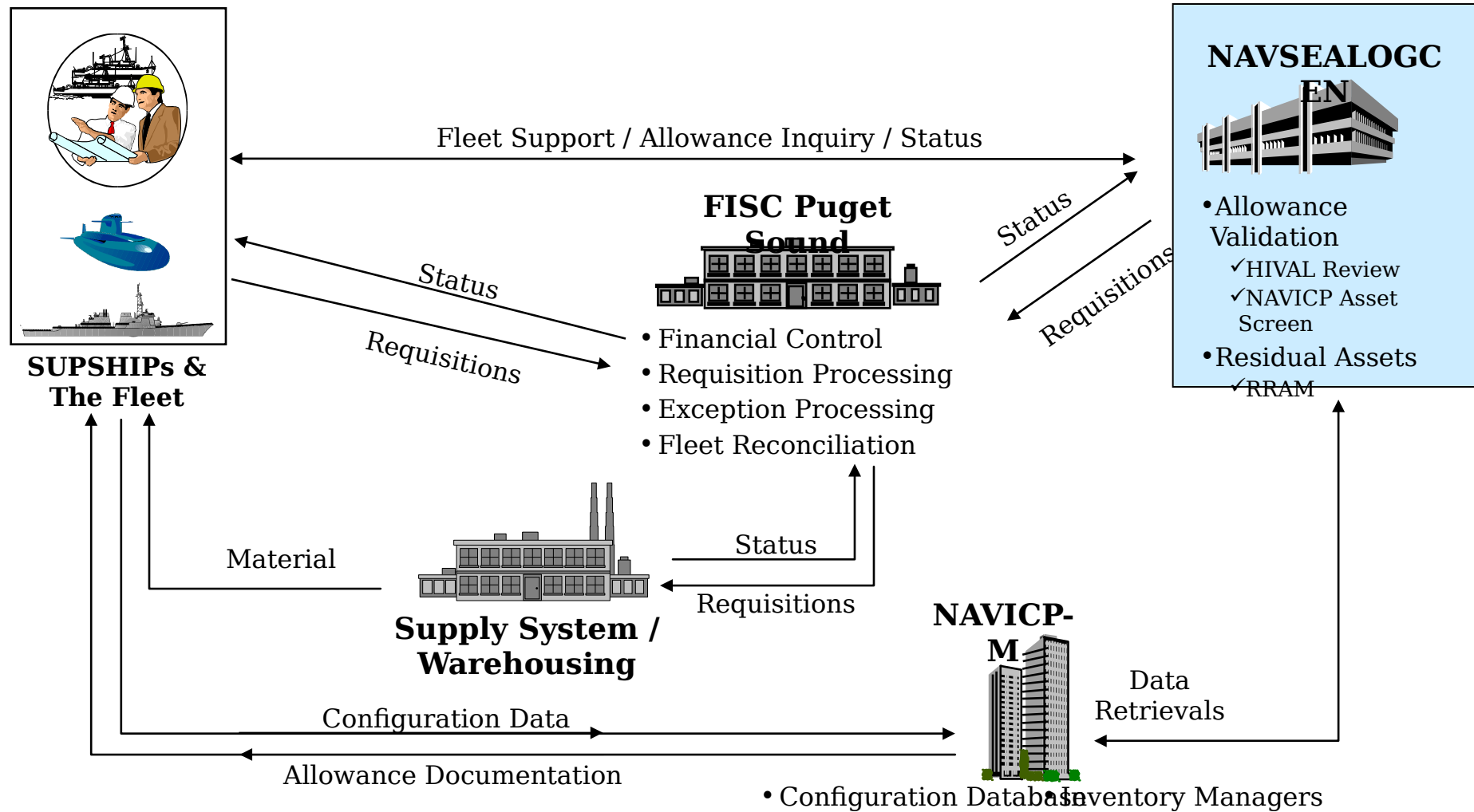
## ➤ **Under Funded Across FYDP**

- Result is Fleet Support Impact in Properly Supporting Valid Outfitting Spares Requirements for Equipment/Weapon Systems Being Installed in FY 02 - 07



**O&M,N Outfitting Support**

# Outfitting and Material Process



# O&M,N Funding Profile

- FY 98 ... FMB -Directed Budget Base Transfer from OPN Outfitting to O&M,N
- Approximately \$8M per Year Across the FYDP
- Levels Now Significantly Reduced
  - Cannot Afford Additional Reductions and Maintain Fleet Support Programs

## **O&M,N - AG/SAG 1B2B** **(Configuration/Maintenance System)** **(\$000)**

Resource Sponsor	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
<b>N4</b>	\$134	\$152	\$158	\$159	\$161	\$164
<b>N6</b>	\$217	\$213	\$17	\$15	\$0	\$0
<b>N75</b>	\$647	\$814	\$852	\$853	\$1,054	\$1,096
<b>* N76 **</b>	\$3,725	\$3,090	\$3,209	\$3,118	\$2,893	\$3,048
<b>N77</b>	\$835	\$893	\$978	\$959	\$990	\$1,020
<b>* N78</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>TOTAL</b>	\$5,558	\$5,162	\$5,214	\$5,104	\$5,098	\$5,328

\* Agreement with OPNAV N76 to Manage the N78 Funding/Requirement in the N76 Line

\*\* FY 02-07 N76 control reduced in execution for NMCI by \$1,030, \$884, \$967, \$992, \$1,009, and \$1,029 respectively.

# O&MN Outfitting Support Requirements

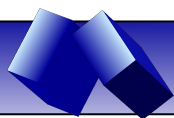
Resource Sponsor	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
<b>N4</b>	\$145 (2%)	\$163 (2%)	\$164 (2%)	\$163 (2%)	\$166 (2%)	\$169 (2%)
<b>N6</b>	\$1,054 (15%)	\$1,179 (15%)	\$1,187 (15%)	\$1,180 (15%)	\$1,200 (15%)	\$1,229 (15%)
<b>N75</b>	\$407 (6%)	\$455 (6%)	\$458 (6%)	\$455 (6%)	\$463 (6%)	\$475 (6%)
<b>N76</b>	\$3,887 (54%)	\$4,349 (54%)	\$4,378 (54%)	\$4,352 (54%)	\$4,428 (54%)	\$4,533 (54%)
<b>N77</b>	\$1,773 (24%)	\$1,983 (24%)	\$1,997 (24%)	\$1,985 (24%)	\$2,019 (24%)	\$2,068 (24%)
<b>TOTAL</b>	\$7,266	\$8,129	\$8,184	\$8,135	\$8,276	\$8,474

*Note: O&MN Outfitting Support Requirements proportional to RAD OPN Outfitting funding*

- **O&MN Funds Support OPN Outfitting Spares to be Installed in FY 02 - 07**
  - **P-1 Hardware Programs**
  - **SEA 04L4/NAVICP-M Special Programs**

# OMN Shortfall by Sponsor

Resource Sponsor	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
<b>N4 CONTROL</b>	\$134	\$152	\$158	\$159	\$161	\$164
<b>N4 REQUIREMENT</b>	\$145	\$163	\$164	\$163	\$166	\$169
<b>N4 SHORTFALL ( )</b>	(\$11)	(\$11)	(\$6)	(\$4)	(\$5)	(\$5)
<b>N6 CONTROL</b>	\$217	\$213	\$17	\$15	\$0	\$0
<b>N6 REQUIREMENT</b>	\$1,054	\$1,179	\$1,187	\$1,180	\$1,200	\$1,229
<b>N6 SHORTFALL ( )</b>	(\$837)	(\$966)	(\$1,170)	(\$1,165)	(\$1,200)	(\$1,229)
<b>N75 CONTROL</b>	\$647	\$814	\$852	\$853	\$1,054	\$1,096
<b>N75 REQUIREMENT</b>	\$407	\$455	\$458	\$455	\$463	\$475
<b>N75 SHORTFALL ( )</b>	\$240	\$359	\$394	\$398	\$591	\$621
<b>N76 CONTROL</b>	\$3,725	\$3,090	\$3,209	\$3,118	\$2,893	\$3,048
<b>N76 REQUIREMENT</b>	\$3,887	\$4,349	\$4,378	\$4,352	\$4,428	\$4,533
<b>N76 SHORTFALL ( )</b>	(\$162)	(\$1,259)	(\$1,169)	(\$1,234)	(\$1,535)	(\$1,485)
<b>N77 CONTROL</b>	\$835	\$893	\$978	\$959	\$990	\$1,020
<b>N77 REQUIREMENT</b>	\$1,773	\$1,983	\$1,997	\$1,985	\$2,019	\$2,068
<b>N77 SHORTFALL ( )</b>	(\$938)	(\$1,090)	(\$1,019)	(\$1,026)	(\$1,029)	(\$1,048)
<b>TOTAL CONTROL</b>	\$5,558	\$5,162	\$5,214	\$5,104	\$5,098	\$5,328
<b>TOTAL REQUIREMENT</b>	\$7,266	\$8,129	\$8,184	\$8,135	\$8,276	\$8,474
<b>TOTAL SHORTFALL ( )</b>	(\$1,708)	(\$2,967)	(\$2,970)	(\$3,031)	(\$3,178)	(\$3,146)



**O&M,N Outfitting Support**

# FY 02 Baseline Funding

## Lifeline to Proper Stewardship of OPN Outfitting Dollars

- **Funds Critical Outfitting Infrastructure Programs/Initiatives to Improve Fleet Allowance Processes and Resulting COSAL Support**

- **OMN Outfitting Support Functions Are a Cost of Doing Business, Enabling Optimized Use of Scarce OPN Spares Outfitting Dollars for Approved, Validated Fleet Requisitions**

- **Provides Funds to Primary Outfitting Field Activities**

- **NLSC Mechanicsburg and FISC Puget Sound**

- **Funding Is Provided in the Following Four Primary Areas:**

- **Requirements Validation:**

- ✓ Screening Fleet Outfitting Requisitions (FY 01 OPN Outfitting Cost Avoidance - \$50 M)
- ✓ Residual Material Management (\$6.9M Annual Cost Avoidance)

- **Fleet/Allowance Support:**

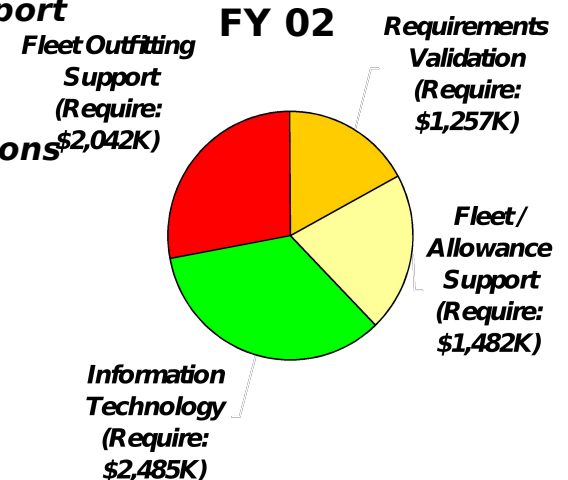
- ✓ Programs to Improve Fleet Allowance Processes

- **Information Technology:**

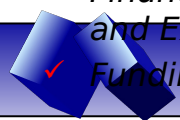
- ✓ Design, Development, and Maintenance of Outfitting Logistics Systems

- **Fleet Outfitting Support:**

- ✓ Financial Management Support for Programming, Budgeting and Executing Over \$220M of OPN/SCN/O&MN Outfitting Funds
- ✓ Funding for FISC Puget Sound Outfitting Operations



**FY 02 OMN Control = \$5,558K**



**O&M, N Outfitting Support**



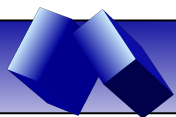
# Impact of Under Funding

- **Lack of Full Funding of Sponsor Requirements Forces Prioritization of OMN Support Functions into Three Categories:**
  - **Non-Discretionary - IT systems support (ICAPS, PARTS and ORCAS/ACTS)**
  - **Discretionary But Mandatory - Products/services providing direct Fleet support**
    - ✓ Requisition execution (FISC Puget Outfitting operations and MAMs validation at SEALOG Mechanicsburg)
    - ✓ Fleet Support (ACRs, FCFBRs, ACIP, AELs and NAVSSES support)
    - ✓ Budget development (RBS Gatekeeper, COSAL Scheduling/Metrics, Special Programs, and HQ Support (such as BPS, Our spares budget system, and PSD support/training)).
  - **Discretionary - HiValue Review and Policy, Procedures and Studies.**
- **Functions Will Be Resourced in Proportion to Sponsor Funding Provided**
- **Example:** Sponsor funds only 70% of the identified requirement. That funding is applied first to the sponsor's share of the Non-Discretionary functions. If funding is still available, we will fund Discretionary But Mandatory functions, and continue down the list until funds are exhausted. At that point, no additional Outfitting/allowance products or services will be provided for that sponsor's hulls.  
**Direct Impact on COSAL Net/Gross Effectiveness.**

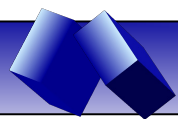


# Summary

- **Funding Levels Have Eroded Across FYDP Since Budget Base Transfer in FY 98**
- **Cannot Afford Additional Reductions without Significant Impact to Fleet Support Programs**
- **Future Expectations:**
  - **Outfitting Initiatives Underway**
    - ✓ Reengineering the Outfitting Process...COSAL Allowance Policy Revisions
    - ✓ Reducing Maintenance Allowance “Churn” ... and Associated Fleet Workload/ Frustrations
    - ✓ IT System Upgrades
      - ⇒ ORCAS - Replace ACTS (Legacy System) as Outfitting Supply/Financial System
      - ⇒ Expand Internet and Web-Enabled Capabilities to Improve Fleet Support
- **Sponsors are Key Stakeholders in Current and Future Fleet Outfitting Programs, and Ultimately Fleet Readiness**
- **Fleets Need Resource Sponsors’ Support of Outfitting Programs to Meet Future Operational Readiness Requirements**



# ***BACK UP***





# Original O&M,N Funding Profile

- \* **FY 98 ... FMB-Directed Budget Base Transfer from OPN Outfitting to O&M,N**
- \* **Approximately \$8M per Year Across the FYDP**
- \* **Levels Now Significantly Reduced - Cannot Afford Additional Reduction and Maintain Fleet Support Programs**

## Transfer:

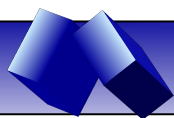
**From: OPN Outfitting**

	FY 99	FY 00	FY 01	FY 02	FY 03
<b>TOTAL</b>	\$8,168	\$8,048	\$8,540	\$8,754	\$8,982

**To: O&M,N**

Resource Sponsor	FY 99	FY 00	FY 01	FY 02	FY 03
<b>N096</b>	\$0	\$15	\$16		
<b>N6</b>	\$818	\$1,201	\$1,526	\$1,128	\$521
<b>N75</b>	\$732	\$1,154	\$486	\$996	\$1,339
<b>N76</b>	\$1,850	\$2,568	\$3,556	\$3,812	\$4,235
<b>N77</b>	\$1,083	\$1,122	\$1,406	\$1,327	\$1,293
<b>N78</b>	\$3,685	\$2,288	\$1,550	\$1,491	\$1,594
<b>TOTAL</b>	\$8,168	\$8,348	\$8,540	\$8,754	\$8,982

<b>Vs Current RAD Funding</b>	\$7,978	\$7,447	\$6,294	\$5,802	\$5,933
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## O&M,N Outfitting Support